

ARKANSAS FISCAL NOTES



VOLUME XIX No. 6

DECEMBER 2005

GENERAL REVENUE SUMMARY

Provides narrative summaries of general revenues 1-3

TABLES A & B

Monthly and year-to-date general revenue collections, and forecast evaluation..... 4-5

TABLE C

Official general revenue forecast for 2005-2007 Biennium..... 6

TABLE D

General revenue history, economic assumptions, fiscal indicators
for FY 2002-2007 7-8

ECONOMIC NOTES

Economic indicators for the State and the Nation 9-13

FY 06 OFFICIAL FORECAST FOR GENERAL REVENUE DISTRIBUTIONS

General revenue budget and allocations 14-16
Educational Excellence.....17

OTHER FINANCIAL INFORMATION18

REVENUE DIVISION REPORT OF GROSS COLLECTIONS

General, special, and trust revenues collected by Revenue Division 19-28

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DEPARTMENT OF FINANCE & ADMINISTRATION
ECONOMIC ANALYSIS & TAX RESEARCH
P.O. BOX 3278
LITTLE ROCK, AR 72203
(501) 682-1688

State of Arkansas
Department of Finance and Administration
Office of the Director
Economic Analysis and Tax Research

Mike Huckabee, Governor

Richard Weiss, Director

Vol. XIX No. 6

Arkansas Fiscal Notes

December 2005

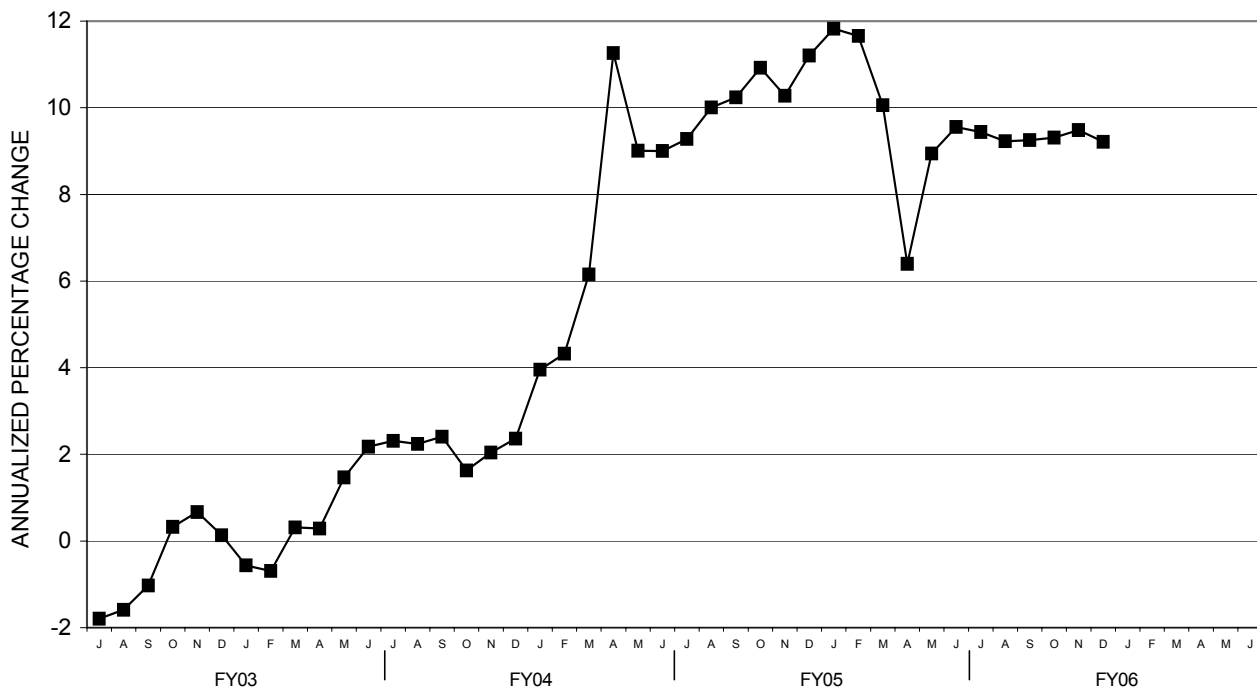
GENERAL REVENUE SUMMARY: December FY 2006

Year-to-Date Gross General Revenues totaled \$2,350.6 million, an increase of \$201.2 million or 9.4 percent above FY 05. With respect to the general revenue forecast of July 27, 2005, gross general revenues were \$108.8 million or 4.9 percent above forecast.

Year-to-Date Net Available Revenues totaled \$2,041.2 million, an increase of \$149.9 million or 7.9 percent above last year. Compared to the July 27, 2005 forecast, net available revenues were \$90.2 million or 4.6 percent above forecast.

Net General Revenue Growth. Net general revenues are defined as gross general revenues less individual and corporate income tax refunds. For the twelve-month period ending in December, net general revenues totaled \$4,591.3 million and increased at an annual rate of 9.2 percent. One year ago, the net general revenues increased by 11.2 percent.

ANNUALIZED RATE OF GROWTH IN
NET GENERAL REVENUES



Year-to-Date Individual Income Tax Collections totaled \$979.4 million, an increase of \$73.5 million or 8.1 percent above last year and \$33.6 million or 3.5 percent above forecast.

Year-to-Date Income Tax Refunds totaled \$49.1 million, an increase of \$10.1 million or 25.8 percent above last year and \$10.8 million or 28.1 percent above forecast.

Year-to-Date General Revenue Corporate Income Tax Collections totaled \$185.3 million, an increase of \$50.1 million or 37.1 percent above last year. Collections were \$35.9 million or 24.0 percent above forecast. This total includes a non-recurring payment due to a settlement of outstanding tax issues made in August 2005.

Year-to-Date Sales Tax Collections totaled \$856.4 million, an increase of \$45.2 million or 5.6 percent above last year. Sales tax collections were \$1.5 million or 0.2 percent above forecast.

Year-to-Date Use Tax Collections totaled \$174.9 million, an increase of \$26.7 million or 18.0 percent above last year and \$31.8 million or 22.2 percent above forecast.

Use tax collections are dominated by business spending. While equipment used directly in manufacturing is exempt from the sales and use tax, business expenditures on office equipment & furniture, office computers, construction equipment (e.g., earth-moving equipment), refrigeration units, mining equipment, vehicles, and fork-lifts bought or leased from out-of-state vendors are subject to the compensating use tax.

Combined General and Special Revenue Corporate Income Tax Collections. For the twelve-month period ending in December, general and special net corporate income taxes totaled \$327.3 million and increased at an annual rate of 31.9 percent. This includes a non-recurring payment due to a settlement of outstanding tax issues made in August 2005. One year ago, corporate income taxes increased at an annual rate of 35.6 percent.

December Gross General Revenues totaled \$421.3 million, an increase of \$44.1 million or 11.7 percent above FY 05. Gross general revenues were \$38.1 million or 9.9 percent above forecast.

December Net Available Revenues totaled \$380.8 million, an increase of \$27.3 million or 7.7 percent above last year. Compared to the July 27, 2005 forecast, net available revenues were \$33.2 million or 9.5 percent above forecast.

December Individual Income Tax Collections totaled \$163.2 million, an increase of \$11.6 million or 7.7 percent above last year and \$9.6 million or 6.3 percent above forecast.

December Income Tax Refunds totaled \$2.8 million, an increase of \$1.3 million or 92.1 percent above last year and \$1.3 million or 87.4 percent above forecast.

December General Revenue Corporate Income Tax Collections totaled \$62.8 million, an increase of \$15.5 million or 32.9 percent above last year. Collections were \$16.5 million or 35.5 percent above forecast.

December Sales Tax Collections totaled \$149.7 million, an increase of \$11.7 million or 8.5 percent above last year. Sales tax collections were \$5.3 million or 3.7 percent above forecast.

December Use Tax Collections totaled \$27.8 million, an increase of \$4.8 million or 21.1 percent above last year and \$6.4 million or 29.8 percent above forecast.

SPECIAL REVENUES OF NOTE

Special Corporate Income Taxes. Each month \$1.6 million (\$18.8 million total in FY 2006) in corporate income tax collections goes to *special* revenues. These revenues are not included in *general* revenue totals. They are allocated to the WorkForce 2000 Fund, which provides for the upgrading of the post-secondary technical colleges of the state.

Medicaid Program Trust Fund (Soft Drink Tax). Year-to-date collections totaled \$22.9 million, \$1.5 million less than year-to-date collections in FY 2005.

Conservation Fund. The state *general* sales and use tax rate is 4.5%. Effective July 1, 1997, Act 156 of 1997, the Conservation Fund Act, levied a one-eighth of one-cent increase in the sales and use tax rate as a *special* revenue. After deductions, the remaining money is distributed to the Game Protection Fund (45%), the Department of Parks and Tourism (45%), Arkansas Department of Heritage (9%), and the Keep Arkansas Beautiful Fund (1%). Through December of FY 2006, \$28.7 million was collected. Through December of FY 2005, \$26.5 million was collected.

Property Tax Relief Trust Fund. Acts 1 and 2 of the Second Extraordinary Session of 2000 levied a 0.5% increase in the sales and use tax rate effective January 1, 2001. This increase is *special* revenue dedicated to reimbursing Arkansas counties for the cost of homestead property tax credits created by Amendment 79 to the Arkansas Constitution. Through December of FY 2006, \$114.8 million was collected compared to \$102.9 million in FY 2005.

Educational Adequacy Fund. Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. It also expanded the sales and use tax base to new services and increased the wholesale vending tax rate and decal fees, effective July 1, 2004. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. The additional revenues are deposited as *special* revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Through December of FY 2006, \$212.0 million was collected compared to \$194.1 million collected through December of FY 2005.

TABLE A: GENERAL REVENUES FOR MONTH OF DECEMBER 2005

	ACTUAL DECEMBER 2005	FORECAST DECEMBER 2005	ACTUAL DECEMBER 2004	CHANGE FROM:			
				FORECAST		LAST YEAR	
				\$	%	\$	%
INDIVIDUAL INCOME	\$163,247,064	\$153,600,000	\$151,635,799	\$9,647,064	6.3	\$11,611,265	7.7
CORPORATE INCOME	62,754,920	46,300,000	47,215,131	16,454,920	35.5	15,539,789	32.9
SALES	149,693,558	144,400,000	138,023,976	5,293,558	3.7	11,669,582	8.5
USE	27,776,980	21,400,000	22,938,677	6,376,980	29.8	4,838,303	21.1
ALCOHOLIC BEVERAGE	3,063,726	2,800,000	2,764,141	263,726	9.4	299,585	10.8
TOBACCO	11,687,835	11,700,000	11,746,050	(12,166)	(0.1)	(58,216)	(0.5)
INSURANCE PREMIUM	495,112	700,000	673,278	(204,888)	(29.3)	(178,166)	(26.5)
RACING	430,952	300,000	266,795	130,952	43.7	164,157	61.5
SEVERANCE	794,915	900,000	911,316	(105,085)	(11.7)	(116,402)	(12.8)
CORPORATE FRANCHISE	201,104	200,000	176,283	1,104	0.6	24,821	14.1
ESTATE	183,037	0	0	183,037	0.0	183,037	0.0
REAL ESTATE TRANSFER	0	0	0	0	0.0	0	0.0
MISCELLANEOUS	964,561	900,000	840,090	64,561	7.2	124,471	14.8
GROSS REVENUES	\$421,293,764	\$383,200,000	\$377,191,536	\$38,093,764	9.9	\$44,102,228	11.7
PLUS:							
PROPERTY TAX RELIEF TR. FUND	18,153,006	18,150,000	25,000,000	3,006	0.0	(6,846,994)	(27.4)
LESS:							
SCSF/COF	13,895,179	11,500,000	11,315,746	2,395,179	20.8	2,579,433	22.8
INDIVIDUAL REFUNDS	2,811,218	1,500,000	1,463,043	1,311,218	87.4	1,348,175	92.1
CORPORATE REFUNDS	9,090,567	10,000,000	9,764,469	(909,433)	(9.1)	(673,901)	(6.9)
CLAIMS	0	0	0	0	0.0	0	0.0
ECON DEVEL INCEN FUND	3,680,444	1,500,000	328,989	2,180,444	145.4	3,351,455	1018.7
WTR/SWR/CLGE BONDS	0	0	569,000	0	0.0	(569,000)	(100.0)
MLA CITY/CO.	0	0	0	0	0.0	0	0.0
DESEG SETTLEMENT	4,900,000	4,900,000	2,700,000	0	0.0	2,200,000	81.5
EDUCATIONAL EXCELLENCE	22,113,758	22,100,000	20,491,747	13,758	0.1	1,622,011	7.9
ELDERLY TRANSPORTATION	178,173	200,000	185,493	(21,827)	(10.9)	(7,320)	(3.9)
EDUCATIONAL ADEQUACY	1,954,894	2,000,000	1,811,505	(45,106)	(2.3)	143,388	7.9
NET AVAILABLE	\$380,822,536	\$347,650,000	\$353,561,543	\$33,172,536	9.5	\$27,260,993	7.7

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.
NET AVAILABLE ESTIMATE: JULY 27, 2005, (A + B).

TABLE B: YEAR-TO-DATE GENERAL REVENUES

	ACTUAL YTD <u>DECEMBER 2005</u>	FORECAST YTD <u>DECEMBER 2005</u>	ACTUAL YTD <u>DECEMBER 2004</u>	CHANGE FROM:			
				FORECAST		LAST YEAR	
				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
INDIVIDUAL INCOME	\$979,353,674	\$945,800,000	\$905,892,933	\$33,553,674	3.5	\$73,460,741	8.1
CORPORATE INCOME	185,279,478	149,400,000	135,142,655	35,879,478	24.0	50,136,823	37.1
SALES	856,414,978	854,900,000	811,208,010	1,514,978	0.2	45,206,968	5.6
USE	174,922,396	143,100,000	148,194,196	31,822,396	22.2	26,728,200	18.0
ALCOHOLIC BEVERAGE	17,544,876	17,100,000	17,026,621	444,876	2.6	518,255	3.0
TOBACCO	72,280,271	70,000,000	70,107,396	2,280,271	3.3	2,172,875	3.1
INSURANCE PREMIUM	44,769,964	44,600,000	43,989,049	169,964	0.4	780,915	1.8
RACING	2,211,995	1,700,000	1,796,607	511,995	30.1	415,388	23.1
SEVERANCE	5,968,112	4,900,000	5,146,543	1,068,112	21.8	821,569	16.0
CORPORATE FRANCHISE	2,814,688	3,200,000	3,146,703	(385,312)	(12.0)	(332,015)	(10.6)
ESTATE	1,718,147	0	985,539	1,718,147	0.0	732,608	74.3
REAL ESTATE TRANSFER	2,607,551	2,600,000	2,603,333	7,551	0.3	4,217	0.2
MISCELLANEOUS	4,718,038	4,500,000	4,201,437	218,038	4.8	516,601	12.3
GROSS REVENUES	\$2,350,604,169	\$2,241,800,000	\$2,149,441,023	\$108,804,169	4.9	\$201,163,146	9.4
PLUS:							
PROPERTY TAX RELIEF TR. FUND	18,153,006	18,150,000	25,000,000	3,006	0.0	(6,846,994)	(27.4)
ACT 1022 (HSC)	0	0	1,671,976	0	0.0	(1,671,976)	(100.0)
LESS:							
SCSF/COF	74,757,940	67,260,000	64,483,231	7,497,940	11.1	10,274,710	15.9
INDIVIDUAL REFUNDS	49,071,638	38,300,000	38,993,136	10,771,638	28.1	10,078,502	25.8
CORPORATE REFUNDS	17,645,939	14,900,000	14,679,458	2,745,939	18.4	2,966,481	20.2
CLAIMS	0	0	0	0	0.0	0	0.0
ECON DEVEL INCEN FUND	5,973,454	8,700,000	7,740,017	(2,726,546)	(31.3)	(1,766,564)	(22.8)
WTR/SWR/CLGE BONDS	1,591,632	1,000,000	3,812,839	591,632	59.2	(2,221,207)	(58.3)
MLA CITY/CO.	3,624,085	3,600,000	3,865,872	24,085	0.7	(241,787)	(6.3)
DESEG SETTLEMENT	29,400,000	29,400,000	16,400,000	0	0.0	13,000,000	79.3
EDUCATIONAL EXCELLENCE	132,683,667	132,600,000	122,950,142	83,667	0.1	9,733,524	7.9
ELDERLY TRANSPORTATION	1,128,756	1,200,000	1,111,930	(71,244)	(5.9)	16,826	1.5
EDUCATIONAL ADEQUACY	11,729,462	12,000,000	10,869,001	(270,538)	(2.3)	860,460	7.9
NET AVAILABLE	\$2,041,150,602	\$1,950,990,000	\$1,891,207,372	\$90,160,602	4.6	\$149,943,230	7.9

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.
NET AVAILABLE ESTIMATE: JULY 27, 2005, (A + B).

TABLE C
OFFICIAL GENERAL REVENUE FORECAST
2005 - 2007 Biennium

Millions of Dollars	FY 05			07/27/05			FY 06			07/27/05			FY 07		
	Actual	Increase	% CH	Estimate	Increase	% CH	Estimate	Increase	% CH	Estimate	Increase	% CH	Estimate	Increase	% CH
INDIVIDUAL INCOME	2,167.8	195.7	9.9	2,190.3	22.5	1.0	2,298.9	108.6	5.0						
CORPORATE INCOME	298.8	60.7	25.5	306.7	7.9	2.6	318.3	11.6	3.8						
SALES TAX	1,647.5	88.3	5.7	1,716.4	68.9	4.2	1,792.0	75.6	4.4						
USE TAX	297.6	54.3	22.3	282.3	-15.3	-5.1	297.1	14.8	5.2						
ALCOHOLIC BEVERAGE	34.9	1.4	4.1	35.0	0.1	0.2	36.0	1.0	2.9						
TOBACCO	141.7	1.6	1.2	141.3	-0.4	-0.3	140.0	-1.3	-0.9						
INSURANCE	91.9	0.6	0.7	93.0	1.1	1.2	94.0	1.0	1.1						
RACING	4.6	0.3	8.2	4.4	-0.2	-3.4	4.4	0.0	0.0						
SEVERANCE	11.2	2.6	30.3	9.2	-2.0	-17.9	9.5	0.3	3.3						
CORPORATE FRANCHISE	7.7	-0.7	-8.4	8.0	0.3	4.2	8.0	0.0	0.0						
ESTATE	9.1	-4.9	-35.1	0.0	-9.1	-100.0	0.0	0.0	0.0						
REAL ESTATE TRANSFER	2.6	0.0	-0.1	2.6	0.0	-0.1	2.6	0.0	0.0						
MISCELLANEOUS	15.2	-3.9	-20.6	15.3	0.1	0.9	15.3	0.0	0.0						
TOTAL GROSS	4,730.6	396.0	9.1	4,804.5	73.9	1.6	5,016.1	211.6	4.4						
PLUS: ACT 1022 (2003) (HSC)	1.7	1.7	0.0	0.0	-1.7	-100.0	0.0	0.0	0.0						
FED FISCAL RELIEF	0.0	-25.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0						
PROP. TAX RELIEF TR. FUND	25.0	0.0	0.0	18.2	-6.9	-27.4	22.0	3.9	21.2						
REVENUE ALLOT. RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	34.0	34.0	0.0						
UNCLAIMED PROPERTY	0.0	-14.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0						
LESS: SCS/COF	141.6	4.5	3.3	144.1	2.6	1.8	150.5	6.3	4.4						
INDIVIDUAL REFUNDS	292.8	33.6	13.0	311.6	18.8	6.4	327.9	16.3	5.2						
CORP REFUNDS	34.6	-21.6	-38.4	35.0	0.4	1.0	38.0	3.0	8.6						
CLAIMS RESERVE	0.0	0.0	N.A.	10.0	10.0	N.A.	10.0	0.0	0.0						
ECON DEV INCENTIVE	11.2	1.0	9.3	17.4	6.2	54.9	19.1	1.7	9.8						
WATER/SWR BONDS	5.6	1.1	24.8	0.0	-5.6	-100.0	8.6	8.6	0.0						
COLL SVNGS BONDS	23.9	0.0	0.0	24.0	0.1	0.4	24.0	0.0	0.0						
MLA CITY/CO TOURIST	7.7	-1.0	-11.1	7.2	-0.5	-6.9	7.2	0.0	0.0						
EDUC EXCEL TRUST	245.9	12.0	5.1	265.4	19.5	7.9	272.8	7.4	2.8						
DESEGREGATION	32.8	-21.0	-39.1	58.7	25.9	79.0	60.4	1.7	2.9						
ELDERLY TRANSPORT	2.2	0.0	-1.1	2.2	0.0	-0.4	2.2	0.0	0.0						
EDUCATIONAL ADQCY	21.7	21.7	0.0	23.5	1.8	8.1	24.1	0.6	2.6						
ADD'L HSC TRANSFER	0.0	-9.8	-100.0	0.0	0.0	0.0	0.0	0.0	0.0						
NET AVAILABLE	3,937.1	338.3	9.4	3,923.5	-13.6	-0.3	4,127.3	203.8	5.2						
LESS: SURPLUS TO ALLOTMENT															
RESERVE FUND	-307.2			-98.4			-68.7								
NET AVAILABLE DISTRIBUTION	3,629.9	104.0	2.9	3,825.1	195.2	5.4	4,058.6	233.5	6.1						

TABLE D
GENERAL REVENUE HISTORY AND ECONOMIC ASSUMPTIONS

Millions of Dollars	FY-02			FY-03			FY-04		
	Actual	Increase	% CH	Actual	Increase	%CH	Actual	Increase	%CH
INDIVIDUAL INCOME TAX	1,790.4	-14.2	(0.8)	1,831.2	40.8	2.3	1,972.1	140.9	7.7
INDIVIDUAL REFUNDS	<u>278.4</u>	<u>29.2</u>	<u>11.7</u>	<u>300.6</u>	<u>22.2</u>	<u>8.0</u>	<u>259.2</u>	<u>(41.4)</u>	<u>(13.8)</u>
NET INDIVIDUAL INCOME	1,512.1	-43.4	(2.8)	1,530.6	18.6	1.2	1,712.9	182.3	11.9
CORPORATE INCOME	218.5	(16.0)	(6.8)	226.2	7.7	3.5	238.1	11.9	5.3
CORPORATE REFUNDS	<u>55.3</u>	<u>7.1</u>	<u>14.7</u>	<u>55.3</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>56.2</u>	<u>0.9</u>	<u>1.7</u>
NET CORPORATE INCOME	163.2	(23.1)	(12.4)	170.9	7.7	4.7	181.8	11.0	6.4
SALES TAX	1,452.4	4.7	0.3	1,486.7	34.3	2.4	1,559.2	72.5	4.9
USE TAX	<u>229.4</u>	<u>(0.7)</u>	<u>(0.3)</u>	<u>228.7</u>	<u>(0.6)</u>	<u>(0.3)</u>	<u>243.3</u>	<u>14.6</u>	<u>6.4</u>
NET ECONOMIC TAX REVENUE	3,357.0	(62.5)	(1.8)	3,416.9	59.9	1.8	3,697.3	280.4	8.2
OTHER TAX REVENUE	<u>252.7</u>	<u>(8.6)</u>	<u>(3.3)</u>	<u>270.3</u>	<u>17.5</u>	<u>6.9</u>	<u>321.8</u>	<u>51.6</u>	<u>19.1</u>
GROSS GENERAL REVENUES	3,943.4	(34.8)	(0.9)	4,043.0	99.6	2.5	4,334.5	291.5	7.2
PLUS: ACT 1022 (2003) (HSC)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GEN IMPROVEMENT	0.0	0.0	0.0	17.3	17.3	0.0	0.0	(17.3)	(100.0)
FED FISCAL RELIEF	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	0.0
PROPERTY TAX RELIEF TRUST FUND	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	0.0
REVENUE ALLOTMENT RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY	0.0	0.0	0.0	0.0	0.0	0.0	14.0	14.0	0.0
LESS: SCS/COF	117.9	(1.4)	(1.2)	138.0	20.1	17.0	137.1	(0.9)	(0.7)
INDIVIDUAL REFUNDS	278.4	29.2	11.7	300.6	22.2	8.0	259.2	(41.4)	(13.8)
CORPORATE REFUNDS	55.3	7.1	14.7	55.3	(0.0)	(0.0)	56.2	0.9	1.7
CLAIMS	0.0	0.0	N.A.	3.4	3.4	N.A.	0.0	(3.4)	N.A.
ECON DEVEL INCENTIVE FUND	8.5	3.8	81.9	10.9	2.3	27.3	10.3	(0.6)	(5.4)
WATER/SEWER BONDS	5.0	(0.6)	(9.9)	4.9	(0.1)	(1.8)	4.5	(0.4)	(8.1)
MLA CITY/CO TOURIST	8.2	(0.9)	(10.3)	8.1	(0.2)	(2.1)	8.7	0.6	8.0
DESEGREGATION SETTLEMENT	32.8	0.0	0.0	32.8	0.0	0.0	53.8	21.0	64.1
EDUC EXCEL TRUST FUND	228.8	4.9	2.2	229.4	0.6	0.3	233.9	4.5	2.0
ELDERLY TRANSPORTATION	2.2	(0.3)	(13.1)	2.3	0.1	4.8	2.2	(0.1)	(3.1)
COLL SVNGS BOND DEBT SRV.	23.9	(0.1)	(0.3)	23.9	0.0	0.0	23.9	(0.0)	(0.0)
EDUCATIONAL ADEQUACY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADD'L HSC TRANSFER	0.0	0.0	0.0	0.0	0.0	0.0	9.8	9.8	0.0
ALLOTMENT RESERVE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>72.9</u>	<u>72.9</u>	<u>0.0</u>
NET AVAILABLE DISTRIBUTION	3,182.4	(76.6)	(2.3)	3,250.8	68.4	2.1	3,526.0	275.2	8.5
ECONOMIC ASSUMPTIONS	FY 2002			FY 2003			FY 2004		
U.S. NOMINAL GDP (Billions \$)	10,307.5	335.0	3.4	10,745.6	438.1	4.3	11,379.4	633.8	5.9
U.S. GDP (2000\$ Chain-Weight)	9,957	81	0.8	10,181	224	2.2	10,634	453	4.4
U.S. GDP DEFLATOR (Chain-Wt, 2000=100)	103.3	2.1	2.1	105.1	1.8	1.7	107.1	2.0	1.9
U.S. CPI PRICE INDEX (1984=100)	178.2	3.1	1.8	182.1	4.0	2.2	186.1	3.9	2.2
OIL - WTI (\$ per barrel)	23.8	(6.3)	(21.0)	29.9	6.2	25.9	33.8	3.8	12.8
AR. NET GEN REV (Millions \$)	3,609.8	(71.1)	(1.9)	3,687.2	77.4	2.1	4,019.1	332.0	9.0
AR. NGR % of NON-FARM PERSONAL INCOME	5.742	(0.3)	(5.4)	5.714	(0.0)	(0.5)	6.014	0.3	5.3
AR. NON-FARM PERSONAL INCOME (M\$)	61,800	2,525	4.3	63,470	1,670	2.7	66,825	3,355	5.3
AR. W & S DISBURSEMENTS (M\$)	32,862	773	2.4	33,608	746	2.3	35,211	1,603	4.8
AR. NON-FARM PROPRI INC (M\$)	4,649.3	377.8	8.8	4,815.3	166.0	3.6	5,293.3	478.0	9.9
AR. DIVIDENDS, INTEREST, AND RENT (M\$)	10,591	(41)	(0.4)	10,202	(389)	(3.7)	10,439	237	2.3
AR. FARM INCOME (M\$)	1,070.8	(278.5)	(20.6)	1,061.0	(9.8)	(0.9)	1,768.5	707.5	66.7
AR. W & S EMPLOYMENT (Thousands)	1,148.1	(10.3)	(0.9)	1,144.4	(3.7)	(0.3)	1,151.0	6.6	0.6
AR. MFG. EMPLOYMENT (Thousands)	218.9	(16.5)	(7.0)	209.8	(9.1)	(4.1)	204.0	(5.8)	(2.8)
AR. PROF. & BUS. SERV. EMPLOYMENT (Thou.)	100.3	(2.1)	(2.1)	103.0	2.6	2.6	105.9	2.9	2.8
AR. POPULATION (Millions)	2.702	(2,687,197)	(100.0)	2.719	0	0.6	2.737	0	0.7
AR. PER CAPITA INCOME (\$)	23,268	709	3.1	23,733	465	2.0	25,059	1,326	5.6
AR. TAXABLE SALES (B\$)	37.37	0.1	0.2	38.12	0.7	2.0	40.06	1.9	5.1

**ECONOMIC ASSUMPTIONS AND THE
OFFICIAL GENERAL REVENUE FORECAST
2005-2007 BIENNIUM**

Millions of Dollars	FY-05			07/27/05	FY-06			07/27/05	FY-07		
	Actual	Increase	% CH	Estimate	Increase	% CH	Estimate	Increase	% CH		
INDIVIDUAL INCOME TAX	2,167.8	195.7	9.9	2,190.3	22.5	1.0	2,298.9	108.6	5.0		
INDIVIDUAL REFUNDS	<u>292.8</u>	<u>33.6</u>	<u>13.0</u>	<u>311.6</u>	<u>18.8</u>	<u>6.4</u>	<u>327.9</u>	<u>16.3</u>	<u>5.2</u>		
NET INDIVIDUAL INCOME	1,875.1	162.1	9.5	1,878.7	3.6	0.2	1,971.0	92.3	4.9		
CORPORATE INCOME	298.8	60.7	25.5	306.7	7.9	2.6	318.3	11.6	3.8		
CORPORATE REFUNDS	<u>34.6</u>	<u>(21.6)</u>	<u>(38.4)</u>	<u>35.0</u>	<u>0.4</u>	<u>1.0</u>	<u>38.0</u>	<u>3.0</u>	<u>8.6</u>		
NET CORPORATE INCOME	264.1	82.3	45.3	271.7	7.6	2.9	280.3	8.6	3.2		
SALES TAX	1,647.5	88.3	5.7	1,716.4	68.9	4.2	1,792.0	75.6	4.4		
USE TAX	<u>297.6</u>	<u>54.3</u>	<u>22.3</u>	<u>282.3</u>	<u>(15.3)</u>	<u>(5.1)</u>	<u>297.1</u>	<u>14.8</u>	<u>5.2</u>		
NET ECONOMIC TAX REVENUE	4,084.4	387.0	10.5	4,149.1	64.7	1.6	4,340.4	191.3	4.6		
OTHER TAX REVENUE	<u>318.8</u>	<u>(3.0)</u>	<u>(0.9)</u>	<u>308.8</u>	<u>(10.0)</u>	<u>(3.1)</u>	<u>309.8</u>	<u>1.0</u>	<u>0.3</u>		
GROSS GENERAL REVENUES	4,730.6	396.0	9.1	4,804.5	73.9	1.6	5,016.1	211.6	4.4		
PLUS: ACT 1022 (2003) (HSC)	1.7	1.7	0.0	0.0	(1.7)	(100.0)	0.0	0.0	0.0		
GEN IMPROVEMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
FED FISCAL RELIEF	0.0	(25.0)	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0		
PROPERTY TAX RELIEF TRUST FUND	25.0	0.0	0.0	18.2	(6.9)	(27.4)	22.0	3.9	21.2		
REVENUE ALLOTMENT RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	34.0	34.0	N.A.		
UNCLAIMED PROPERTY	0.0	(14.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
LESS: SCS/COF	141.6	4.5	3.3	144.1	2.6	1.8	150.5	6.3	4.4		
INDIVIDUAL REFUNDS	292.8	33.6	13.0	311.6	18.8	6.4	327.9	16.3	5.2		
CORPORATE REFUNDS	34.6	(21.6)	(38.4)	35.0	0.4	1.0	38.0	3.0	8.6		
CLAIMS	0.0	0.0	N.A.	10.0	10.0	N.A.	10.0	0.0	0.0		
ECON DEVEL INCENTIVE FUND	11.2	1.0	9.3	17.4	6.2	54.9	19.1	1.7	9.8		
WATER/SEWER BONDS	5.6	1.1	24.8	0.0	(5.6)	(100.0)	8.6	8.6	N.A.		
MLA CITY/CO TOURIST	7.7	(1.0)	(11.1)	7.2	(0.5)	(6.9)	7.2	0.0	0.0		
DESEGREGATION SETTLEMENT	32.8	(21.0)	(39.1)	58.7	25.9	79.0	60.4	1.7	2.9		
EDUC EXCEL TRUST FUND	245.9	12.0	5.1	265.4	19.5	7.9	272.8	7.4	2.8		
ELDERLY TRANSPORTATION	2.2	(0.0)	(1.1)	2.2	(0.0)	(0.4)	2.2	0.0	0.0		
COLL SVNGS BOND DEBT SRV.	23.9	0.0	0.0	24.0	0.1	0.4	24.0	0.0	0.0		
EDUCATIONAL ADEQUACY	21.7	21.7	0.0	23.5	1.8	8.1	24.1	0.6	2.6		
ADD'L HSC TRANSFER	0.0	(9.8)	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0		
ALLOTMENT RESERVE	<u>307.2</u>	<u>234.3</u>	<u>321.6</u>	<u>98.4</u>	<u>(208.8)</u>	<u>(68.0)</u>	<u>68.7</u>	<u>(29.7)</u>	<u>(30.2)</u>		
NET AVAILABLE DISTRIBUTION	3,629.9	104.0	2.9	3,825.1	195.2	5.4	4,058.6	233.5	6.1		

ECONOMIC ASSUMPTIONS	FY 2005 e			FY 2006 e			FY 2007 e		
U.S. NOMINAL GDP (Billions \$)	12,092.2	712.8	6.3	12,771.5	679.3	5.6	13,388.6	617.1	4.8
U.S. GDP (2000\$ Chain-Weight)	11,037	403.3	3.8	11,403	365.8	3.3	11,733	330.4	2.9
U.S. GDP DEFLATOR (Chain-Wt, 2000=100)	109.6	2.5	2.4	112.0	2.4	2.2	114.1	2.1	1.9
U.S. CPI PRICE INDEX (1984=100)	191.7	5.6	3.0	196.4	4.7	2.4	199.8	3.4	1.7
OIL - WTI (\$ per barrel)	48.1	14.4	42.6	50.0	1.8	3.8	46.9	(3.0)	(6.0)
AR. NET GEN REV (Millions \$)	4,403.2	384.0	9.6	4,457.9	54.7	1.2	4,650.2	192.3	4.3
AR. NGR % of NON-FARM PERSONAL INCOME	6.208	0.2	3.2	5.986	(0.2)	(3.6)	5.933	(0.1)	(0.9)
AR. NON-FARM PERSONAL INCOME (M\$)	70,927	4,102	6.1	74,473	3,546	5.0	78,383	3,910	5.3
AR. W & S DISBURSEMENTS (M\$)	37,254	2,043	5.8	39,117	1,863	5.0	41,170	2,054	5.3
AR. NON-FARM PROPR INC (M\$)	5,746.0	452.7	8.6	6,038.8	292.8	5.1	6,271.5	232.8	3.9
AR. DIVIDENDS, INTEREST, AND RENT (M\$)	11,100	661	6.3	11,988	889	8.0	12,706	718	6.0
AR. FARM INCOME (M\$)	2,022.0	253.5	14.3	2,019.0	(3.0)	(0.1)	1,967.8	(51.3)	(2.5)
AR. W & S EMPLOYMENT (Thousands)	1,167.0	16.0	1.4	1,183.0	16.0	1.4	1,194.0	11.0	0.9
AR. MFG. EMPLOYMENT (Thousands)	203.9	(0.1)	(0.1)	203.3	(0.6)	(0.3)	202.1	(1.2)	(0.6)
AR. PROF. & BUS. SERV. EMPLOYMENT (Thou.)	108.9	3.0	2.9	112.6	3.7	3.4	117.2	4.6	4.1
AR. POPULATION (Millions)	2,755	0.018	0.6	2,772	0.018	0.6	2,790	0.018	0.6
AR. PER CAPITA INCOME (\$)	26,480	1,422	5.7	27,741	1,261	4.8	28,981	1,239	4.5
AR. TAXABLE SALES (B\$)	43.23	3.2	7.9	44.42	1.2	2.8	46.42	2.0	4.5

ECONOMIC NOTES

Most Recent Estimate of GDP Growth

Gross Domestic Product is a measure of the nation's output of domestically produced goods and services. The Commerce Department's estimate of real GDP growth uses the chain-weighted measure instead of the fixed weighted measure used previously. The new calculation better reflects yearly price fluctuations.

Quarterly estimates of GDP are released on the following schedule: Advance estimates, based on preliminary and incomplete source data and BEA assumptions about the missing source data, are released in the first month after the end of the quarter. Preliminary and final estimates, which incorporate additional and revised source data, are released in the second and third months, respectively.

Revisions are usually made each July to incorporate source data that are more complete, more detailed, and otherwise more consistent than previously available.

The U.S. economy grew at a 4.1% annual rate in the third quarter of 2005 according to the Commerce Department's final (third) estimate for GDP growth for the period. This represents acceleration from the previous quarter's growth rate of 0.8%. Real GDP grew 4.2% in 2004, by comparison. Also, GDP grew by 2.7% in 2003, 1.6% in 2002, and 0.8% in 2001.

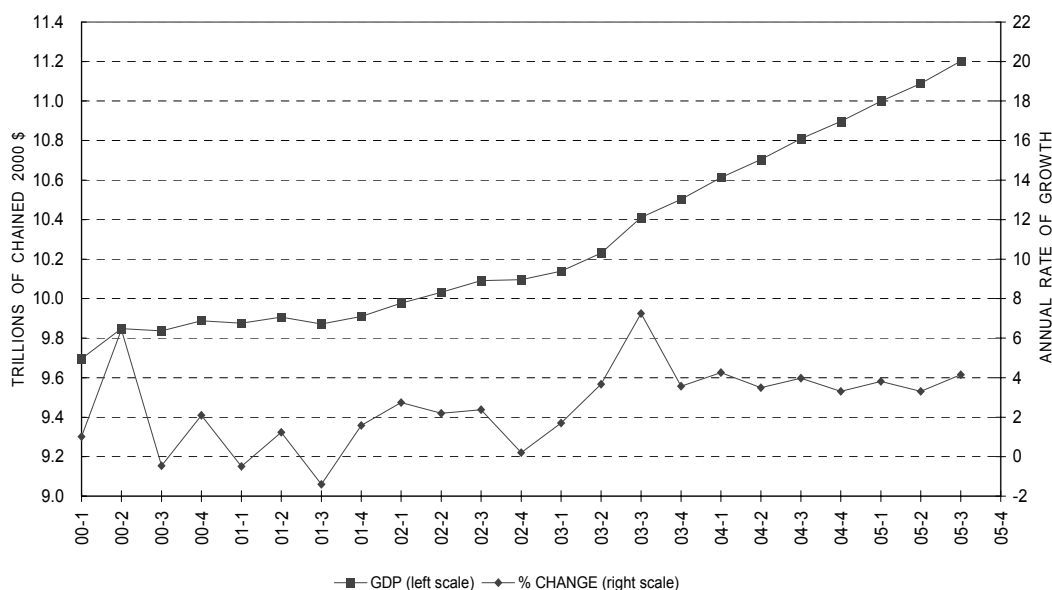
Among major GDP components, gross private investment rose 5.3% in response to a smaller decrease in private inventories. Residential fixed investment expanded by 7.3%, matched by an 8.5% gain in nonresidential fixed investment. Real growth derived from government consumption was mixed. Federal purchases led by defense spending registered 10.0% growth, while state and local purchases slowed to 0.2% growth during the quarter. Other GDP subcomponents with higher than average gains included information processing equipment (11.1%), industrial equipment (16.7%), and transportation equipment (13.9%).

Imports rebounded modestly during the third quarter, after declining in the previous period as part of a short-term inventory correction. Exports slowed to 2.5% growth in the third quarter, after a robust 10.7% jump in the second quarter. The sharp change in growth was attributed to the Boeing strike on aircraft deliveries.

Quarterly estimates of GDP since the first quarter of 2000, and the annualized growth rates implied by these estimates, are displayed in the graph(s) below.

More detailed information about Gross Domestic Product may be found at the BEA's Web site at <www.bea.gov>.

REAL GROSS DOMESTIC PRODUCT, 2000-PRESENT



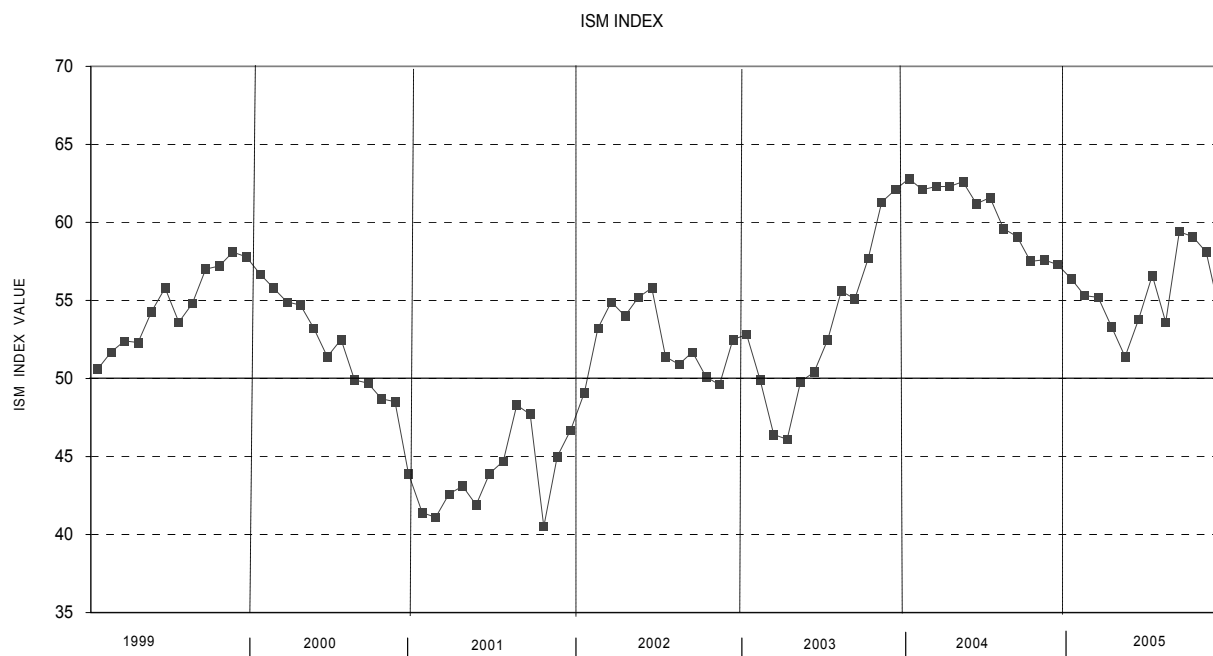
Institute for Supply Management's Purchasing Managers' Index (PMI)

The Institute for Supply Management reported that the Purchasing Managers' Index declined again in December to 54.2 from 58.1 percent, but indicated continued expansion in the manufacturing sector. "2005 was an excellent year for the manufacturing sector as measured by the ISM data. In December, we saw a decline in the rate of growth of both new orders and production, but both indexes are at levels that support economic growth. We saw a significant slowing in the upward pricing spiral that has been a source of continuing concern for manufacturers. A strong fourth quarter should carry significant momentum forward into 2006," reported Norbert J. Ore, C.P.M., chair of the Institute for Supply Management's Manufacturing Business Survey Committee.

The 50 percent mark is generally interpreted as the dividing line between growth and contraction in the manufacturing sector. In the overall economy, an index in excess of 42.7 percent, over a period of time, indicates that the overall economy is expanding. According to the broader index, the overall economy grew for the 50th consecutive month in December.

The Purchasing Managers' Index is based on a survey of 300 purchasing officials in a variety of manufacturing industries and gauges improvement or decline in areas such as employment, production, inventory, and new orders. In contrast to the Conference Board's Leading and Coincident Indices, which monitor broad-based economic activity, the Purchasing Managers' Index is more narrowly focused on the manufacturing sector, a sector of particular importance to Arkansas.

The chart below tracks performance of the Purchasing Managers' Index since January 1999.



Labor Force Statistics, Arkansas and the U.S.

The U.S. Bureau of Labor Statistics reported that seasonally adjusted nonfarm employment in the nation grew by 108,000 in December to a level of 134.5 million. This followed one month of higher growth, attributed in part to national economic strength and monthly data fluctuations attributable to hurricane-related disruption. In December, manufacturing employment edged up 18,000 to a level of 14.28 million. Retail trade employment fell by 16,000. Construction employment also fell (-9,000), compared to the previous month. The major service-providing industries continued to add jobs, including Professional and Business Services (+33,000) and Education and Health Services (+25,000). A gain of 23,000 jobs was reported for Leisure and Hospitality, largely as a result of monthly rebound in food services. Government employment growth decelerated (+14,000) from higher growth in November. Most of the gain in government employment came from local government (+8,000) and state government (+12,000).

The national unemployment rate declined slightly in December to 4.9%. The Bureau noted that it updated its seasonal adjustment factors for the period of January 2001 through December 2005. The Bureau also added survey questions for added identification of persons who evacuated their homes, even, temporarily, due to Hurricane Katrina.

In Arkansas, the Department of Workforce Services reported that nonfarm employment rose 13,100 in December, compared to year ago estimates. Month to month changes in the nonfarm (payroll) employment series are heavily influenced by seasonal fluctuations, given the lack of seasonal adjustment in this reported series.

Gains on a year ago basis were recorded in Retail Trade (+1,600), Professional and Business Services (+1,500), Education and Health Services (+4,300), and Leisure and Hospitality (+800). Construction employment was up 1,700 compared to year ago levels, with much of the gain in Specialty Trade Contractors. Manufacturing employment was down by 4,100 as losses in a variety of durable and nondurable goods sectors outweighed gains in Transportation Equipment and Primary Metals.

The largest employment losses in December, compared to year ago levels occurred in Furniture and Related Products (-1,200), Paper and Printing (-600), and Fabricated Metals (-700). On a percentage basis, the year ago losses were greatest in Furniture and Related Products (-15.6%) and Miscellaneous Manufacturing (-4.8%). Overall, the state's manufacturing sector has failed to record any net (annual) job gains since the end of the national recession in 2001.

The state's seasonally adjusted unemployment rate in December dropped significantly to 4.5%, down from 4.8% in November. The current rate is also down 1.1% from December 2004.

ARKANSAS NONFARM WAGE AND SALARY EMPLOYMENT, BY INDUSTRIAL SECTOR

	DEC 2005	NOV 2005	DEC 2004	CHANGE SINCE:			
				LAST MONTH		LAST YEAR	
				N	%	N	%
TOTAL NONFARM WAGE AND SALARY EMPLOYMENT (1,000s)	1184.7	1185.6	1171.6	-0.9	-0.1	13.1	1.1
NATURAL RESOURCES/MINING	7.6	7.6	7.5	0.0	0.0	0.1	1.3
CONSTRUCTION	53.4	53.7	51.7	-0.3	-0.6	1.7	3.3
MANUFACTURING	200.2	200.9	204.3	-0.7	-0.3	-4.1	-2.0
DURABLE GOODS	104.9	105.6	108.0	-0.7	-0.7	-3.1	-2.9
NONDURABLE GOODS	95.3	95.3	96.3	0.0	0.0	-1.0	-1.0
FOOD & KIND. PRODS.	52.1	52.2	52.3	-0.1	-0.2	-0.2	-0.4
TRANSP. & UTILITIES	66.6	66.3	65.3	0.3	0.5	1.3	2.0
TRADE	183.9	182.2	181.8	1.7	0.9	2.1	1.2
INFORMATION	20.0	19.9	20.2	0.1	0.5	-0.2	-1.0
FIN./INS./REAL EST.	52.7	52.3	51.4	0.4	0.8	1.3	2.5
SERVICES	390.1	392.1	383.7	-2.0	-0.5	6.4	1.7
GOVERNMENT	210.2	210.6	205.7	-0.4	-0.2	4.5	2.2

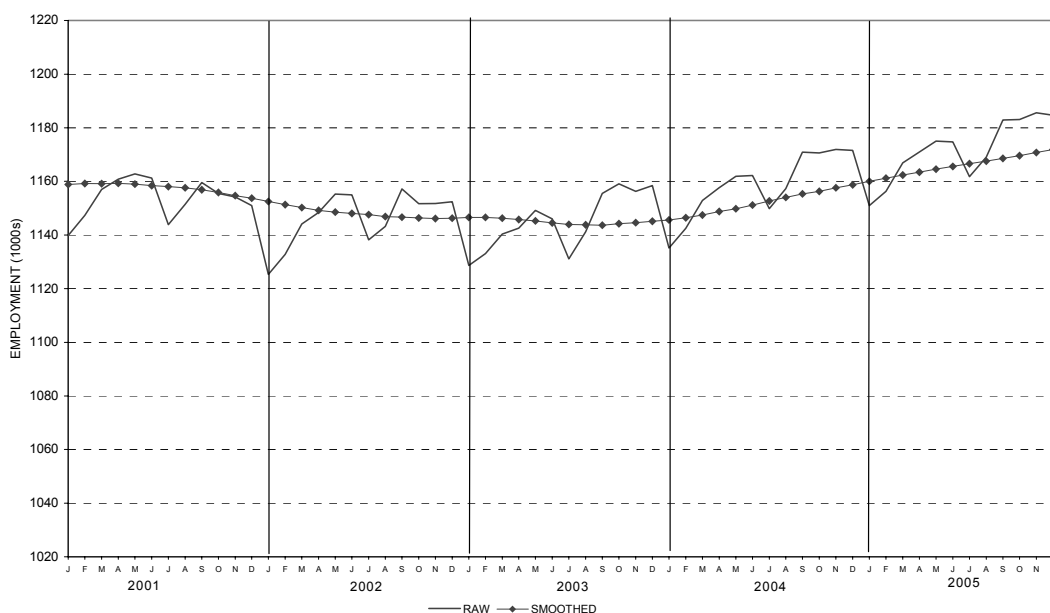
SOURCE: Arkansas Department of Workforce Services.

The graphs on this page place Arkansas' employment growth patterns in a somewhat longer historical context. The upper graph shows the absolute level of nonfarm payroll employment in the state. The "raw" or unadjusted data show the seasonality of employment in the state, with sharp drops in employment occurring in January and July, while the "smoothed" data (12-month moving averages) reveal the underlying trends in employment.

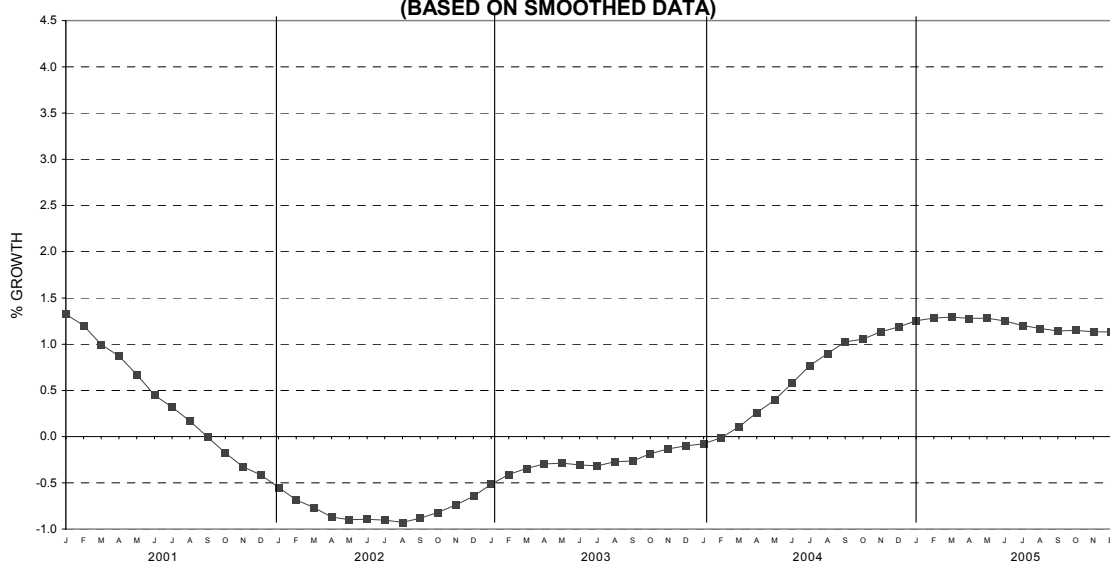
Underlying growth trends are portrayed even more clearly in the lower graph, which gives the percentage increase in employment over a 12-month period, based on the smoothed data shown above. After accounting for some seasonal factors, the annualized rate of employment growth in the state was 1.1 percent in December 2005.

The data in these two graphs reflect the benchmark revisions made by DWS and BLS in January 2005.

ARKANSAS' NON-FARM PAYROLL EMPLOYMENT



ARKANSAS' 12-MONTH EMPLOYMENT GROWTH (BASED ON SMOOTHED DATA)



The table below places Arkansas' employment growth in comparative national perspective. For the 12-month period ending in December 2005, Arkansas' employment rate of growth of 1.1 percent ranked 33rd in the nation. Over the same 12-month period, employment in the nation as a whole rose by 1.6 percent.

TOTAL NONAGRICULTURAL JOB GROWTH FOR THE U.S. AND STATES:
12 MONTHS ENDING DECEMBER 2005 VS. 12 MONTHS ENDING DECEMBER 2004

State	Rank December 2005	Percent Change	Rank December 2004	Thousands of Jobs		
				Job Growth	December 2005	December 2004
Nevada.....	1	6.3	1	72.8	1,225.2	1,152.4
Arizona	2	4.1	2	97.7	2,471.2	2,373.5
Utah	3	3.7	5	40.9	1,144.1	1,103.1
Idaho	4	3.6	6	21.0	607.9	586.8
Oregon	5	3.4	11	54.0	1,647.7	1,593.7
Florida	6	3.3	3	247.7	7,751.7	7,503.9
Hawaii	7	2.8	7	16.4	598.7	582.3
Wyoming	8	2.5	10	6.4	261.8	255.4
Washington	9	2.4	14	64.9	2,763.1	2,698.1
Colorado	10	2.1	21	46.1	2,225.0	2,178.9
New Mexico	11	2.0	12	16.1	806.8	790.7
Maryland	12	2.0	27	50.3	2,570.8	2,520.5
Delaware	13	2.0	9	8.3	432.3	424.0
New Hampshire	14	1.9	16	12.0	638.7	626.6
Montana	15	1.9	4	7.8	419.8	412.0
Oklahoma	16	1.8	38	26.4	1,496.8	1,470.3
South Dakota	17	1.7	20	6.5	389.7	383.2
North Dakota	18	1.7	18	5.6	342.8	337.1
UNITED STATES		1.6		2,150.5	133,630.9	131,480.3
Virginia	19	1.6	8	57.4	3,641.7	3,584.3
Alaska	20	1.6	13	4.8	308.8	303.9
California	21	1.6	32	231.6	14,770.4	14,538.8
Vermont	22	1.5	19	4.6	307.8	303.1
Kansas	23	1.5	37	20.1	1,343.2	1,323.1
Alabama	24	1.5	17	28.1	1,929.7	1,901.6
Minnesota	25	1.4	41	37.4	2,714.9	2,677.4
North Carolina	26	1.4	31	53.4	3,883.0	3,829.6
Texas	27	1.4	28	128.1	9,606.4	9,478.2
Nebraska	28	1.3	34	12.2	935.1	922.9
New Jersey	29	1.3	42	51.2	4,053.2	4,002.0
Iowa	30	1.3	30	18.1	1,474.2	1,456.0
Rhode Island	31	1.2	36	5.7	494.1	488.3
Pennsylvania	32	1.2	43	64.9	5,704.3	5,639.4
Arkansas	33	1.1	23	13.1	1,171.8	1,158.7
Kentucky	34	1.1	39	20.2	1,816.3	1,796.0
Indiana	35	1.1	22	33.0	2,962.9	2,929.9
Connecticut	36	1.1	46	18.5	1,669.8	1,651.3
West Virginia	37	1.0	24	7.3	743.5	736.1
Missouri	38	1.0	45	25.7	2,718.5	2,692.8
Wisconsin	39	0.9	33	26.1	2,829.3	2,803.2
Georgia	40	0.9	26	35.7	3,925.6	3,889.8
New York	41	0.9	44	76.4	8,523.0	8,446.6
Tennessee	42	0.9	15	23.7	2,724.8	2,701.0
Illinois	43	0.8	48	45.9	5,853.0	5,807.0
Massachusetts	44	0.7	49	21.2	3,201.6	3,180.4
Maine	45	0.7	25	4.0	617.9	613.9
South Carolina	46	0.4	29	7.9	1,835.5	1,827.6
Ohio	47	0.3	47	17.8	5,424.9	5,407.0
Mississippi	48	-0.2	35	-1.8	1,123.1	1,125.0
Michigan	49	-0.6	50	-27.0	4,363.8	4,390.8
Louisiana	50	-3.4	40	-64.2	1,855.9	1,920.2

SOURCE: Arizona State University's Economic Outlook Center and the U.S. Bureau of Labor Statistics

OFFICIAL FORECAST
April 20, 2005

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FUND ACCOUNTS	FY05 MAY 4, 2004 FORECAST	FISCAL YEAR 2006					
		"A"	"B"	TOTAL ALLOCATIONS	FORECAST "A" + "B"	OVER / (UNDER) DIFFERENCE	
						FY05 FORECAST	OVER FY05
General Education	\$1,587,868,208	\$1,588,069,176	\$71,516,117	\$1,659,585,293	\$1,659,585,293	\$71,717,085	4.52%
State Library	2,000,000	2,000,000	1,000,000	3,000,000	3,000,000	1,000,000	50.00%
Workforce Education	22,943,729	22,460,056		22,460,056	22,460,056	(483,673)	(2.11%)
TOTAL - PUBLIC SCHOOL FUND	\$1,612,811,937	\$1,612,529,232	\$72,516,117	\$1,685,045,349	\$1,685,045,349	\$72,233,412	4.48%
GENERAL EDUCATION FUND							
Dept. of Education	\$11,841,192	\$13,036,267		\$13,036,267	\$13,036,267	\$1,195,075	10.09%
Educ. Facilities Partnership	0	0		0	0	0	#DIV/0!
Educational Television	4,365,547	4,699,936		4,699,936	4,699,936	334,389	7.66%
School for the Blind	4,851,356	5,033,762	75,000	5,108,762	5,108,762	257,406	5.31%
School for the Deaf	8,211,333	8,956,221	60,000	9,016,221	9,016,221	804,888	9.80%
State Library	2,942,127	3,097,534	7,000	3,104,534	3,104,534	162,407	5.52%
Dept. of Workforce Education	2,760,686	2,746,088		2,746,088	2,746,088	(14,598)	(0.53%)
Rehabilitation Services	12,056,201	12,361,615		12,361,615	12,361,615	305,414	2.53%
Subtotal - General Education	\$47,028,442	\$49,931,423	\$142,000	\$50,073,423	\$50,073,423	\$3,044,981	6.47%
Technical Institutes:							
Arkansas Valley TI	\$2,074,400			\$0	\$0	(\$2,074,400)	(100.00%)
Crowley's Ridge TI	2,169,741	2,350,033		2,350,033	2,350,033	180,292	8.31%
Northwest TI	2,514,789	2,710,486		2,710,486	2,710,486	195,697	7.78%
Riverside VTS	1,959,586	2,026,424		2,026,424	2,026,424	66,838	3.41%
Subtotal - Technical Inst.'s	\$8,718,516	\$7,086,943	\$0	\$7,086,943	\$7,086,943	(\$1,631,573)	(18.71%)
TOTAL GENERAL ED. FUND	\$55,746,958	\$57,018,366	\$142,000	\$57,160,366	\$57,160,366	\$1,413,408	2.54%
HUMAN SERVICES FUND							
DHS-Administration	\$13,526,819	\$13,789,740		\$13,789,740	\$13,789,740	\$262,921	1.94%
Aging and Adult Services	10,602,577	10,682,027	5,010,000	15,692,027	15,692,027	5,089,450	48.00%
Children & Family Services	39,569,687	40,097,643	500,000	40,597,643	40,597,643	1,027,956	2.60%
Child Care/Early Childhood Ed.	527,678	536,809		536,809	536,809	9,131	1.73%
Youth Services	43,782,428	43,944,990	4,083,216	48,028,206	48,028,206	4,245,778	9.70%
Devel. Disab. Services	50,229,849	50,834,371	5,000,000	55,834,371	55,834,371	5,604,522	11.16%
Medical Services	4,574,127	4,703,262		4,703,262	4,703,262	129,135	2.82%
DHS-Grants	551,561,101	551,561,101	15,494,672	567,055,773	567,055,773	15,494,672	2.81%
Mental Health Services	60,474,670	64,665,900	2,850,000	67,515,900	67,515,900	7,041,230	11.64%
Services for the Blind	1,770,435	1,800,158		1,800,158	1,800,158	29,723	1.68%
County Operations	39,291,910	40,551,619		40,551,619	40,551,619	1,259,709	3.21%
TOTAL HUMAN SERVICES FUND	\$815,911,281	\$823,167,620	\$32,937,888	\$856,105,508	\$856,105,508	\$40,194,227	4.93%

OFFICIAL FORECAST
April 20, 2005

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FUND ACCOUNTS	FY05	FISCAL YEAR 2006					OVER / (UNDER) DIFFERENCE
	MAY 4, 2004	"A"	"B"	TOTAL	FORECAST	FY05	OVER
	FORECAST			ALLOCATIONS	"A" + "B"	FORECAST	FY05
STATE GENERAL GOV'T FUND							
Dept. of Ark. Heritage	\$4,691,305	\$4,997,979	\$158,658	\$5,156,637	\$5,156,637	\$465,332	9.92%
Dept. of Labor	2,340,542	2,508,515		2,508,515	2,508,515	167,973	7.18%
Dept. of Higher Education	2,860,148	3,030,502		3,030,502	3,030,502	170,354	5.96%
Dept. of H.E.-Grants	34,661,199	34,661,199		34,661,199	34,661,199	0	0.00%
Dept. of Economic Development	9,356,023	9,774,587		9,774,587	9,774,587	418,564	4.47%
Dept. of Correction	206,530,355	220,294,662	24,678,294	244,972,956	244,972,956	38,442,601	18.61%
Dept. of Community Correction	44,873,760	48,169,200	4,781,524	52,950,724	52,950,724	8,076,964	18.00%
Livestock & Poultry Commission	3,407,158	3,478,067		3,478,067	3,478,067	70,909	2.08%
State Military Department	7,797,534	8,324,302	186,632	8,510,934	8,510,934	713,400	9.15%
Dept. of Parks & Tourism	19,610,469	20,210,566		20,210,566	20,210,566	600,097	3.06%
Dept. of Environmental Quality	3,501,452	0		0	0	(3,501,452)	(100.00%)
Miscellaneous Agencies	43,528,817	48,575,933	3,991,552	52,567,485	52,567,485	9,038,668	20.76%
TOTAL STATE GENERAL GOV'T	\$383,158,762	\$404,025,512	\$33,796,660	\$437,822,172	\$437,822,172	\$54,663,410	14.27%
OTHER FUNDS							
County Aid	\$19,741,546	\$19,741,546		\$19,741,546	\$19,741,546	\$0	0.00%
County Jail Reimbursement	2,806,592	\$2,806,592	\$6,900,000	9,706,592	9,706,592	6,900,000	245.85%
Crime Information Center	3,393,959	3,393,959		3,393,959	3,393,959	0	0.00%
DFA - Child Support Enforcement	13,014,933	13,014,933		13,014,933	13,014,933	0	0.00%
Forestry Commission	5,644,742	6,781,656		6,781,656	6,781,656	1,136,914	20.14%
Merit Adjustment Fund	21,300,000	0		0	0	(21,300,000)	(100.00%)
Motor Vehicle Acquisition	942,513	0		0	0	(942,513)	(100.00%)
Municipal Aid	27,506,527	27,506,526		27,506,526	27,506,526	(1)	(0.00%)
Dept. of Health	52,717,340	51,224,961		51,224,961	51,224,961	(1,492,379)	(2.83%)
State Police	44,473,870	46,262,000	2,351,799	48,613,799	48,613,799	4,139,929	9.31%
Plant Board Fund	2,196,289	2,288,097		2,288,097	2,288,097	91,808	4.18%
TOTAL OTHER FUNDS	\$193,738,311	\$173,020,270	\$9,251,799	\$182,272,069	\$182,272,069	(\$11,466,242)	(5.92%)
INST'S OF HIGHER EDUCATION							
Arkansas State University	\$48,730,695	\$49,692,177	\$921,709	\$50,613,886	\$50,613,886	\$1,883,191	3.86%
Arkansas Tech University	20,545,785	23,072,918	3,823,263	26,896,181	26,896,181	6,350,396	30.91%
Henderson State University	16,222,962	16,534,852	224,568	16,759,420	16,759,420	536,458	3.31%
Southern Arkansas University	13,145,462	13,384,600	227,819	13,612,419	13,612,419	466,957	3.55%
UA - Fayetteville	94,817,524	96,600,481	2,802,605	99,403,086	99,403,086	4,585,562	4.84%
UA - Archeological Survey	1,755,014	1,797,004	53,963	1,850,967	1,850,967	95,953	5.47%
UA - Agriculture	50,632,050	52,093,897	1,482,149	53,576,046	53,576,046	2,943,996	5.81%
UA - Clinton School	0	0	1,978,812	1,978,812	1,978,812	1,978,812	#DIV/0!
UA - Criminal Justice Institute	1,587,148	1,614,664	23,110	1,637,774	1,637,774	50,626	3.19%
UA - Ft. Smith	15,587,140	15,925,067	946,928	16,871,995	16,871,995	1,284,855	8.24%
UA-Little Rock	48,622,550	49,641,945	1,308,572	50,950,517	50,950,517	2,327,967	4.79%
UA-Medical Sciences	69,320,879	70,605,626	3,770,019	74,375,645	74,375,645	5,054,766	7.29%
UAMS - Indigent Care	4,934,707	4,934,707	148,041	5,082,748	5,082,748	148,041	3.00%
UA-Monticello	13,054,878	13,324,553	329,940	13,654,493	13,654,493	599,615	4.59%
UA-Pine Bluff	22,558,107	23,004,352	156,282	23,160,634	23,160,634	602,527	2.67%
University of Central Arkansas	39,168,657	39,901,875	1,111,941	41,013,816	41,013,816	1,845,159	4.71%
Sub-Total Four Year	\$460,683,558	\$472,128,718	\$19,309,721	\$491,438,439	\$491,438,439	\$30,754,881	6.68%

OFFICIAL FORECAST
April 20, 2005

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FUND ACCOUNTS	FY05	FISCAL YEAR 2006					OVER / (UNDER) DIFFERENCE
	MAY 4, 2004	"A"	"B"	TOTAL	FORECAST	FY05	OVER
	FORECAST			ALLOCATIONS	"A" + "B"	FORECAST	FY05
INST'S OF HIGHER EDUCATION CONTINUED:							
Two Year Institutions:							
Arkansas Northeastern College	\$7,314,919	\$7,757,585	\$182,404	\$7,939,989	\$7,939,989	\$625,070	8.55%
Arkansas State University - Beebe	9,306,390	\$9,814,526	1,093,179	10,907,705	10,907,705	\$1,601,315	17.21%
Arkansas State Univ.-Mountain Home	2,366,796	2,694,276	140,680	2,834,956	2,834,956	468,160	19.78%
Arkansas State University - Newport	2,050,323	2,302,128	362,112	2,664,240	2,664,240	613,917	29.94%
Cossatot Cmty. College of the UA	2,245,065	2,583,570	109,593	2,693,163	2,693,163	448,098	19.96%
East Arkansas Cmty. College	4,994,759	5,316,556		5,316,556	5,316,556	321,797	6.44%
Mid-South Cmty. College	2,536,399	2,972,976	253,002	3,225,978	3,225,978	689,579	27.19%
National Park Cmty. College	7,267,530	7,713,972	359,826	8,073,798	8,073,798	806,268	11.09%
North Arkansas College	6,659,532	7,150,182	67,907	7,218,089	7,218,089	558,557	8.39%
NorthWest Arkansas Cmty. College	5,823,788	6,566,188	355,553	6,921,741	6,921,741	1,097,953	18.85%
Phillips Cmty. College of the UA	7,635,269	8,171,976	33,076	8,205,052	8,205,052	569,783	7.46%
Rich Mountain Cmty. College	2,605,870	2,785,988	20,107	2,806,095	2,806,095	200,225	7.68%
Southern Ark. University - Tech	5,858,484	4,735,604	83,676	4,819,280	4,819,280	(1,039,204)	(17.74%)
SAU - Tech - Envir. Control Center	0	252,258	65,439	317,697	317,697	317,697	#DIV/0!
SAU - Tech - Fire Training Academy	0	1,164,097	13,674	1,177,771	1,177,771	1,177,771	#DIV/0!
South Arkansas Cmty. College	5,028,984	5,405,546	42,932	5,448,478	5,448,478	419,494	8.34%
U of A - Cmty. College at Batesville	2,747,147	3,097,964	153,897	3,251,861	3,251,861	504,714	18.37%
U of A - Cmty. College at Hope	3,462,943	3,933,002	67,216	4,000,218	4,000,218	537,275	15.51%
U of A - Cmty. College at Morrilton	3,239,560	3,679,075	169,310	3,848,385	3,848,385	608,825	18.79%
Two-Year College Model Formula	7,683,765			0	0	(7,683,765)	(100.00%)
Sub-Total Two Year	\$88,827,523	\$88,097,469	\$3,573,583	\$91,671,052	\$91,671,052	\$2,843,529	3.20%
Technical Colleges:							
Black River	\$4,410,588	\$4,991,922	\$168,780	\$5,160,702	\$5,160,702	\$750,114	17.01%
Ouachita	2,394,144	2,711,474	233,593	2,945,067	2,945,067	550,923	23.01%
Ozarka	2,052,535	2,364,710	83,490	2,448,200	2,448,200	395,665	19.28%
Pulaski	6,316,028	7,616,315	701,472	8,317,787	8,317,787	2,001,759	31.69%
Southeast Arkansas College	3,874,179	4,457,603	208,692	4,666,295	4,666,295	792,116	20.45%
Sub-Total Technical Colleges	\$19,047,474	\$22,142,024	\$1,396,027	\$23,538,051	\$23,538,051	\$4,490,577	23.58%
TOTAL INST'S OF HIGHER ED.	\$568,558,555	\$582,368,211	\$24,279,331	\$606,647,542	\$606,647,542	\$38,088,987	6.70%
GRAND TOTAL	\$3,629,925,804	\$3,652,129,211	\$172,923,795	\$3,825,053,006	\$3,825,053,006	\$195,127,202	5.38%

Prepared by DFA-Office of Budget 4.20.2005

**EDUCATIONAL EXCELLENCE TRUST FUND
OFFICIAL FORECAST
FISCAL YEAR 2006**

FUND ACCOUNT	FY06 ORIGINAL FORECAST	FY06 REVISED FORECAST	DIFFERENCE
DEPT. OF EDUCATION PUBLIC SCHOOL FUND:	<u>\$174,212,346</u>	<u>\$178,219,241</u>	<u>\$4,006,895</u>
WORKFORCE EDUCATION PUBLIC SCHOOL FUND:	<u>\$10,648,301</u>	<u>\$10,893,213</u>	<u>\$244,912</u>
DEPARTMENT OF EDUCATION FUND ACCOUNT:	<u>\$853,492</u>	<u>\$873,122</u>	<u>\$19,630</u>
DEPARTMENT OF WORKFORCE EDUCATION FUND:	<u>\$3,195,762</u>	<u>\$3,269,265</u>	<u>\$73,503</u>
HIGHER EDUCATION GRANTS FUND ACCT:	<u>\$11,746,577</u>	<u>\$12,016,749</u>	<u>\$270,172</u>
SCHOOL FOR MATH, SCIENCE AND ARTS FUND:	<u>\$6,356,003</u>	<u>\$6,502,191</u>	<u>\$146,188</u>
INSTITUTIONS OF HIGHER EDUCATION:			
Four Year Institutions:			
Arkansas State University	\$5,367,424	\$5,490,876	\$123,452
Arkansas Tech University	1,799,197	1,840,579	41,382
Henderson State University	1,861,184	1,903,992	42,808
Southern Arkansas University	1,100,373	1,125,682	25,309
UA - Fayetteville	13,319,012	13,625,350	306,338
UA - Little Rock	4,726,490	4,835,200	108,710
UA Medical Center	8,138,089	8,325,266	187,177
UAMS - Indigent Care	202,507	207,165	4,658
UA - Monticello	949,657	971,499	21,842
UA - Pine Bluff	1,648,584	1,686,501	37,917
University of Central Arkansas	4,096,133	4,190,343	94,210
Two Year Institutions:			
Arkansas Northeastern College	641,948	656,713	14,765
ASU - Beebe	1,280,568	1,310,021	29,453
East Arkansas Community College	670,153	685,567	15,414
National Park Community College	1,002,308	1,025,361	23,053
North Arkansas College	395,785	404,888	9,103
Northwest Arkansas Community College	885,782	906,155	20,373
Phillips Community College - U of A	652,638	667,649	15,011
Rich Mountain Community College	176,896	180,965	4,069
SAU - Tech	287,296	293,904	6,608
South Arkansas Community College	458,337	468,878	10,541
UA - Fort Smith	2,727,158	2,789,883	62,725
TOTAL INSTITUTIONS OF HIGHER EDUCATION	\$ 52,387,519	\$ 53,592,435	\$ 1,204,916
GRAND TOTAL	\$ 259,400,000	\$ 265,366,217	\$ 5,966,217

September 2, 2005
DFA-Office of Budget

FINANCIAL INFORMATION SOURCES STATE OF ARKANSAS

FINANCIAL ORGANIZATIONS AND MANAGEMENT

The following state organizations share responsibility for statewide financial management: The General Assembly, the Office of the Budget and the Office of Accounting of the Department of Finance and Administration, the Governor, the Treasurer, and the Division of Legislative Audit.

The General Assembly has responsibility for legislating the level of state services and appropriating the funds for operations of state agencies. The Office of Budget prepares the Executive Budget with the advice and consent of the Governor. The Office of Budget also monitors the level and type of state expenditures. The Accounting Division has the responsibility for maintaining fund and appropriation control and, through the Pre-audit Section and in conjunction with the State Treasurer, has responsibility for the disbursement process. The Treasurer has responsibility for disbursement, bank reconciliation, and investment of state funds (with the advice of the State Board of Finance). The Division of Legislative Audit has responsibility for performing financial post-audits of state agencies.

BUDGET AND APPROPRIATION PROCESS

State agencies submit biennial budget requests to the Office of Budget of the Department of Finance and Administration. The Office of Budget prepares the Executive Budget based on estimates of general revenues as prepared by the Office of Economic Analysis and Tax Research of DFA. The Executive Budget contains the budget amount recommended by the Governor.

The General Assembly appropriates money after consideration of both the Executive Budget and the revenue estimate. The appropriation process begins in the joint House-Senate Budget Committee and then proceeds through both houses of the General Assembly. Legislative appropriations are subject to the Governor's approval or veto, including the authority of line-item veto.

The General Assembly also must amend the Revenue Stabilization Act to provide for an allotment process of funding appropriations in order to comply with state law prohibiting deficit spending. The Governor may restrict spending below the level of appropriations.

REVENUE STABILIZATION LAW

Act 750 of 1973, as amended, established the State's Revenue Stabilization Law. This law and related legislation govern the administration and distribution of State revenues.

Pursuant to the Stabilization Law, all general and special revenues are deposited into the General Revenue Allotment Account and the Special Revenue Allotment Account according to the type of revenue being deposited. From the General Revenues Fund, 3% of all general revenues are first distributed to the Constitutional Officers Fund and the Central Services Fund to provide support for the States' elected

officials and their staffs and the Department of Finance and Administration.

The balance is then distributed to separate funds proportionately as established by the Stabilization Law. From the Special Revenue Fund, 3% of all special revenues collected by DFA and 1.5% of all special revenues collected by other agencies are first distributed to provide support for the State's elected officials, their staffs, and DFA. The balance is then distributed to the funds for which the special revenues were collected.

Special revenues, which are primarily user taxes, are generally earmarked for the program or agency providing the related services.

General revenues are transformed into funds established and maintained by the Treasurer for major programs and agencies of the state in accordance with fund priorities established by the General Assembly.

According to the Stabilization Law, the General Assembly establishes three levels of priority for general revenue spending, levels "A", "B", and "C". Successive levels of appropriations are funded only in the event sufficient revenues have been generated to fully fund any prior level. Accordingly, appropriations made to programs and agencies are only maximum authorizations to spend. Actual expenditures are limited to the lesser of (1) moneys flowing into a program or agencies' fund maintained by the Treasurer or (2) the maximum appropriation by the General Assembly.

Because state revenues are not collected throughout the year in a pattern consistent with program and agency expenditures, a budget revolving fund, which receives interest earnings for State fund investments, has been established and is utilized to assure proper cash flow during any period.

For more detailed information, please see:

- State of Arkansas, Biennial Budget, prepared by the Office of Budget, DFA.
- Annual Financial Report, prepared by the Office of Accounting, DFA.
- State of Arkansas, Biennial Report, prepared by the Treasurer of the State.
- Arkansas Legislative Tax Handbook, prepared by the Arkansas Legislative Council.
- Selected Statistical Financial Data for Arkansas (referred to as the A & B Books), prepared by the Arkansas Legislative Council.

**DEPARTMENT OF FINANCE & ADMINISTRATION
DIVISION OF REVENUE**

P.O. Box 1272
Little Rock, AR 72203
(501) 682-7000

Commissioner of Revenue Tim Leathers
Assistant Commissioner for Operations & Administration Preston Means
Assistant Commissioner for Policy & Legal John Theis

Taxpayer Assistance Office 682-7751
Office of Motor Vehicle 682-4630
Office of Excise Tax Administration 682-7200
Office of Income Tax Administration 682-1130

Arkansas State Revenue Tax Quarterly, a quarterly newsletter, is published by the Revenue Division. For more information, contact the Taxpayer Assistance Office.

The Department of Finance and Administration has a home page on the World Wide Web. The page contains several tax forms and useful information. The address is <http://www.accessarkansas.org/dfa/>. In addition, the Office of Economic Analysis and Tax Research posts this publication, *Arkansas Fiscal Notes*, on the DFA web site. The address is http://www.accessarkansas.org/dfa/budget/budget_revenue_budgets.html.

**STATEMENT OF GROSS TAX COLLECTIONS
GENERAL, SPECIAL, AND TRUST REVENUES**

The statement of gross tax collections on the following pages reports only general and special revenues collected by the Revenue Division of the Department of Finance and Administration. Insurance premium taxes are collected by the Insurance Department and the corporate franchise tax by the Office of Secretary of State. The revenues from these two taxes are reported in Tables A and B. In addition to these two offices, general revenues are also collected by other offices, agencies, and commissions, such as the State Auditor, State Securities Board, et al., and are summarized under "Miscellaneous" collections in Tables A and B. A detailed listing of these revenue sources can be found in the *Arkansas Revenue Report* published monthly by the Bureau of Legislative Research, Office of Tax and Economic Policy (tel # 682-1937).

Additionally, the "Gross Receipts" reported on this statement includes sales tax, use tax, beverage excise tax, 10% mixed drink tax, and the gross receipts tax permit.

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 1 Of 9

<u>Special Revenues</u>	<u>December 2005</u>	<u>December 2004</u>	<u>6 Months 2005</u>	<u>6 Months 2004</u>
101 AUTO LICENSE FEES	\$6,315,004.56	\$5,874,000.55	\$46,027,829.17	\$46,277,648.76
102 AUTO TITLE TRANSFER	\$250,688.00	\$239,632.00	\$1,787,684.32	\$1,769,140.00
103 AUTO INTRANSIT FEES	\$15.00	\$3.00	\$63.00	\$57.00
104 DRIVE OUT LICENSE	\$2,630.00	\$1,878.00	\$13,280.00	\$10,264.00
105 MV TRIP PERMITS	\$16,236.00	\$693.00	\$151,701.00	\$139,557.00
106 TRANSFER BLD. FUND	\$0.00	\$0.00	\$0.00	\$0.00
107 DRIVERS TEST FEE 782/	\$43,511.00	\$39,595.00	\$326,066.44	\$312,407.32
108 CDL FUND 241/1989	\$58,561.81	\$46,192.38	\$350,928.56	\$324,920.66
109 BOAT REGISTRATION	\$32,073.60	\$25,216.70	\$450,882.85	\$327,045.40
110 COTTON TRLR. REG. 68/	\$1,015.00	\$1,218.00	\$55,742.00	\$43,729.00
111 CDL TEST ACT 241/1989	\$45,339.61	\$37,374.49	\$395,518.15	\$273,019.50
112 CDL TEST ACT 241/1989	\$126,015.54	\$118,558.24	\$814,896.77	\$754,486.40
113 SPECIAL DRIVER FEES	\$58,765.00	\$54,639.59	\$401,888.10	\$372,181.88
114 DRIVER SEARCH FEE	\$654,989.46	\$622,535.76	\$4,205,937.23	\$3,925,379.60
115 BRSTCANKOMENPLA1004/03	\$5,175.00	\$3,650.00	\$35,675.00	\$26,350.00
116 DWI #918 1983 AL/DRG	\$0.00	\$0.00	\$0.00	\$0.00
117 ALTN FUEL FD/ACT121/03	\$0.00	\$0.00	\$0.00	\$109.94
118 COURT CST AL/DRUG1/2	\$0.00	\$0.00	\$0.00	\$0.00
119 COURT COST 185	\$0.00	\$0.00	\$0.00	\$0.00
120 CRIME VIC REPARATION	\$0.00	\$0.00	\$0.00	\$0.00
121 MOTOR FUEL TAX	\$32,976,942.01	\$57,106,958.47	\$205,428,415.50	\$203,173,563.14
122 MOTOR FUEL ACT #445	\$1,715,813.90	\$2,935,329.66	\$10,657,907.19	\$10,483,556.80
123 MOTOR FUEL ACT #437	\$1,715,813.90	\$2,935,329.66	\$10,657,907.19	\$10,483,556.80
124 PUBLIC SCHOOL 210/39	\$0.00	\$0.00	\$30,000.00	\$30,000.00
125 SEVERANCE TAX 1/4	\$264,971.50	\$270,657.99	\$1,829,248.78	\$1,509,377.37
126 SEVERANCE ACT #310	\$2,587.15	\$2,889.78	\$15,603.18	\$16,387.47
127 SEVERANCE 759/1979	\$2,551.49	\$7,904.20	\$27,530.45	\$32,039.44

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 2 Of 9

128	TIMBER SEVERANCE	\$352,135.29	\$271,770.37	\$2,232,549.00	\$2,009,477.77
129	SEV./COAL ACT 560	\$0.00	\$0.00	\$0.00	\$0.00
130	SEV. ACT #761	\$94,306.51	\$107,664.18	\$831,392.98	\$760,023.12
131	SEV./BRINE ACT 874	\$5,740.86	\$17,784.45	\$61,943.53	\$72,088.76
132	SOYBEAN STATE 259	\$326,668.54	\$191,666.45	\$681,664.47	\$701,596.82
133	WHEAT PROMOTION	\$472.42	\$2,712.67	\$76,589.39	\$266,114.59
134	RICE PROMOTION	\$195,474.18	\$132,528.03	\$4,022,305.95	\$3,512,471.26
135	RL ESTATE TRANS. 754	\$0.00	\$0.00	\$60,000.00	\$60,000.00
136	RL ESTATE TRANS. 754	\$118,983.09	\$99,448.63	\$734,977.71	\$573,566.15
137	RL ESTA TRANS.729 80	\$1,903,763.09	\$1,591,202.26	\$12,719,840.42	\$10,137,215.51
138	RL ESTA TRANS.729 10	\$237,970.17	\$198,900.29	\$1,589,979.91	\$1,267,152.13
139	RL ESTA TRANS.729 10	\$237,970.17	\$198,900.29	\$1,589,979.91	\$1,267,152.13
140	BEEF COUNCIL - STATE	\$37,096.08	\$49,906.76	\$263,869.58	\$273,511.24
141	WINE TAX ACT #906	\$917.80	\$9,847.33	\$4,944.05	\$13,770.30
142	CHOOSELIFE ADP 344/03	\$0.00	\$3,234.00	\$0.00	\$22,074.50
143	ST AVIATION ACT #449	\$1,872,892.71	\$289,060.17	\$4,075,621.15	\$1,969,119.43
144	RENT CARSRCH 1359/99	\$43.00	\$60.00	\$555.00	\$359.00
145	DOG RACING ACT #382	\$0.00	\$0.00	\$0.00	\$0.00
146	ABC APP'L FEE 675	\$800.00	\$257.50	\$2,310.00	\$5,205.00
147	DWI REINSTATEMENT	\$11,359.95	\$11,547.66	\$74,763.85	\$78,480.96
148	VISION TEST/PHOTO ID	\$134,921.59	\$128,618.00	\$838,219.39	\$842,305.38
149	BEEF COUNCL NATIONAL	\$37,096.08	\$49,906.76	\$263,869.58	\$273,511.28
150	BRUCellosis CNTR FUN	\$69,260.42	\$85,328.07	\$435,722.42	\$450,797.41
151	DWI ADD 631/316 91	\$0.00	\$0.00	\$0.00	\$0.00
152	WASTE TIRE 749/ 91	\$254,658.98	\$313,974.14	\$2,172,762.82	\$2,258,213.45
153	SWINE TEST 1105 91	\$8.00	\$2.00	\$66.00	\$446.00
154	DWI REINSTATE 802/95	\$53,554.05	\$54,438.96	\$352,458.15	\$369,981.66
155	RURAL HEALTH 201/39	\$2,220.00	\$3,170.00	\$117,980.00	\$125,280.00
156	SEVERANCE TAX 761/83	\$0.00	\$0.00	\$0.00	\$0.00

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 3 Of 9

157	SOYBEA NATION 340/91	\$326,668.49	\$191,666.39	\$681,664.22	\$701,596.51
158	CHOOSE LIFE PLATE	\$0.00	\$66.00	\$0.00	\$450.50
159	MF INTERSTATE USER	\$1,239,119.48	\$1,322,244.24	\$7,943,710.86	\$6,754,018.51
160	MIDSO COM COLL 1488/01	\$5,714.71	\$9,830.17	\$16,419.29	\$28,788.76
161	SALESTAX PERMIT 620/93	\$35,650.00	\$35,500.00	\$223,750.00	\$324,865.80
162	M V VAL. DEC 974/97	\$165,796.00	\$159,257.00	\$1,201,503.00	\$1,194,266.00
163	LIAB.INS.REIN 357/93	\$1,180.00	\$2,320.00	\$6,560.00	\$11,440.00
164	ASP INSPREM 1500/01	\$225,689.44	\$233,976.88	\$1,413,031.06	\$1,526,480.01
165	VIN INSPECTION 1329/03	\$975.00	\$1,125.00	\$5,300.00	\$9,550.00
166	DUI REIN 863/93 40%	\$874.00	\$764.00	\$5,318.00	\$7,414.00
167	WEATHIZ ASST ACT121/03	\$0.00	\$0.00	\$0.00	\$256.50
168	WASTE TIRE P 1292/97	\$22,144.26	\$27,301.83	\$188,935.90	\$194,596.39
169	CATFISH PROMO 790/99	\$851.86	\$185.67	\$36,348.25	\$127,279.54
170	GAMEPROTECT 1566/99	\$36,325.00	\$33,200.00	\$246,310.00	\$236,175.00
171	PTR ACT 1492/99	\$19,755,074.57	\$14,753,421.44	\$114,756,724.58	\$102,919,118.68
172	SPEC PLATE FEE 93 SE	\$81,833.00	\$72,576.00	\$587,957.00	\$563,404.00
173	INSTALLMENT 1262/95	\$0.00	\$0.00	\$0.00	\$0.00
174	PUB.SCHOOL FAC. 70/04	\$0.00	\$187,677.35	\$0.00	\$882,613.94
175	CONS. FUND 156/97	\$4,944,737.64	\$4,382,074.15	\$28,692,576.34	\$26,506,076.01
176	AVI. AERO 924/97	\$50,697.65	\$146,605.73	\$1,203,318.32	\$991,156.52
177	AR CORN/SORG 271/97	\$12,225.70	\$14,709.55	\$160,771.67	\$240,867.64
178	ADMIN JUSTICE 788/97	\$1,070,851.98	\$895,037.83	\$4,547,016.03	\$3,094,309.96
179	DIST WASTTIRE 1292/97	\$43,716.15	\$47,312.85	\$348,478.05	\$361,454.10
180	INSURANCE ACT 991/97	\$0.00	\$0.00	\$0.00	\$0.00
181	AGE/ADULT SERV 1698/01	\$79,648.05	\$81,260.19	\$499,495.28	\$486,567.98
182		\$0.00	\$81,260.19	\$0.00	\$486,567.98
183	BREAST CAN RSH 1698/01	\$91,276.65	\$79,578.94	\$572,421.59	\$476,501.05
184	BREAST CAN CTRL 1698/1	\$325,271.64	\$318,315.75	\$2,039,869.85	\$1,906,004.27

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 4 Of 9

185	GEN IMPROV FUND 1681/1	\$0.00	\$340,463.74	\$0.00	\$4,703,830.06
186	DRIVER CONFIRM 1810/01	\$0.00	\$27.00	\$0.10	\$177.70
187	SCHOOL FOR DEAF 1556/1	\$0.00	\$0.00	\$5.00	\$2.50
188	SCHOOL FOR BLND 1556/1	\$0.00	\$0.00	\$5.00	\$2.50
189	DUPLICATE DRIVERS LIC	\$275,896.25	\$224,858.35	\$1,798,398.38	\$1,501,123.09
190	EDUC ADEQ. 108/03	\$34,236,715.79	\$30,397,946.91	\$200,260,231.97	\$183,216,929.50
191	FIREFIGHTERS MEM FUND	\$338.00	\$0.00	\$2,429.00	\$0.00
192	IN GOD WE TRUST PLATE	\$0.00	\$0.00	\$0.00	\$0.00
193	AR RX FUND ADJUSTMENT	\$39,824.02	\$0.00	\$249,747.66	\$0.00
194	AR PROSTATE ADJUSTMENT	\$13,276.50	\$0.00	\$83,260.69	\$0.00
195	UofA MED SCI TRST ADJS	\$149,457.38	\$0.00	\$899,411.41	\$0.00
196	PUBLIC SCHOOL ADJUST	\$102,933.81	\$0.00	\$608,187.21	\$0.00
197	DHS GRANTS FUND ADJUST	\$713,785.66	\$0.00	\$4,727,428.77	\$0.00
Total Special Revenues		\$114,285,561.19	\$128,176,748.59	\$690,875,654.62	\$647,048,576.33

December 2005

C1L018

**Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis**

Page 5 Of 9

<u>General Revenues</u>	<u>December 2005</u>	<u>December 2004</u>	<u>6 Months 2005</u>	<u>6 Months 2004</u>
201 CIGARETTE TAX	\$10,088,916.31	\$10,173,804.99	\$62,578,570.74	\$60,074,988.67
202 TOBACCO PERM 1337/97	\$7,135.00	\$17,095.14	\$100,342.05	\$118,315.28
203 CIGAR & TOBACCO TAX	\$1,577,604.30	\$1,520,662.39	\$9,522,246.20	\$9,731,653.11
204 CIGARETTE PAPER TAX	\$29,647.95	\$34,487.56	\$219,132.33	\$222,976.54
205 BEER TAX	\$927,330.33	\$944,458.47	\$6,398,363.89	\$6,345,623.00
206 BEER ENF. ACT #271	\$30,903.03	\$31,473.82	\$213,223.71	\$211,466.13
207 LIQUOR TAX 2.50 /GAL	\$781,240.80	\$639,119.18	\$3,415,412.25	\$3,472,875.01
208 LIQUOR ENF.	\$26,103.93	\$20,761.73	\$114,204.67	\$112,104.65
209 WINE TAX .70 / GAL.	\$12,849.22	\$19,515.57	\$90,478.23	\$78,805.72
210 WINE ENF.	\$5,464.25	\$3,622.71	\$22,887.02	\$20,558.05
211 WINE ENF. ACT #271	\$358.59	\$566.82	\$2,533.89	\$2,581.29
212 WINE ENF. ACT #424	\$68.30	\$77.95	\$532.52	\$515.67
213 IMPORTED WINE TAX	\$222,414.51	\$142,551.93	\$951,583.45	\$873,559.60
214 IMPORT WINE TAX 424	\$772.98	\$931.85	\$6,086.17	\$6,127.02
215 BEER PERMITS	\$5,205.00	\$6,160.00	\$96,900.00	\$113,140.00
216 LIQUOR PERMITS	\$7,340.00	\$8,565.00	\$195,475.00	\$246,220.00
217 WINE PERMITS	\$2,215.00	\$510.00	\$8,881.00	\$9,883.50
218 SEVERANCE TAX 3/4	\$794,914.91	\$811,973.70	\$5,487,747.04	\$4,528,131.17
219 AMUSEMENT MACH. TAX	\$0.00	\$0.00	\$0.00	\$0.00
220	\$0.00	\$0.00	\$0.00	\$0.00
221	\$0.00	\$0.00	\$0.00	\$0.00
222 RL ESTATE TRANS 754	\$0.00	\$0.00	\$2,607,788.32	\$2,607,788.32
223 AVIATION USE 924/97	\$0.00	\$0.00	\$0.00	\$0.00
224	\$0.00	\$0.00	\$0.00	\$0.00
225 GROSS RECEIPTS	\$179,465,744.09	\$163,358,403.54	\$1,051,040,230.60	\$969,573,580.87
226 ESTATE TAX	\$183,037.00	\$0.00	\$1,978,080.20	\$985,539.22
227 INCOME - INDIVIDUAL	\$3,956,240.56	\$4,961,315.07	\$48,282,290.24	\$43,928,217.99

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 6 Of 9

228		\$0.00	\$0.00	\$0.00	\$0.00
229	WITHHOLDING MONTHLY	\$139,189,394.14	\$127,284,786.07	\$838,460,302.84	\$776,957,807.28
230	INDIVIDUAL EST. INC.	\$20,109,502.36	\$19,416,486.60	\$92,181,594.09	\$84,128,343.38
231	CORPORATION INCOME	\$2,816,529.80	\$3,686,358.04	\$38,332,959.05	\$19,217,716.71
232	CORPORATION EST. INC.	\$61,512,276.83	\$44,626,252.73	\$154,188,435.76	\$122,295,874.83
233	LIQ. TAX 1.00/.50 GAL	\$38,509.37	\$24,775.82	\$175,593.27	\$143,479.75
234		\$0.00	\$0.00	\$0.00	\$0.00
235	DOG RACING	\$176,434.78	\$141,879.77	\$809,068.41	\$785,847.90
236	HORSE RACING	\$254,517.36	\$124,914.99	\$1,073,292.75	\$983,258.70
237	ABC FINES	\$31,050.00	\$21,500.00	\$179,400.00	\$180,300.00
238	ABC TRANSCRIPTS	\$150.80	\$101.60	\$1,504.80	\$468.00
239		\$0.00	\$0.00	\$0.00	\$0.00
240	SUNDAY SALE PERM. FEE	\$240.00	\$285.00	\$8,205.00	\$12,730.00
241	DWI REINSTATEMENT	\$16,228.50	\$16,496.65	\$106,805.50	\$112,115.65
242		\$0.00	\$0.00	\$0.00	\$0.00
243		\$0.00	\$0.00	\$0.00	\$0.00
244		\$0.00	\$0.00	\$0.00	\$0.00
245		\$0.00	\$0.00	\$0.00	\$0.00
246		\$0.00	\$0.00	\$0.00	\$0.00
247	VEND. DECAL 928/97	\$10,448.20	\$323.60	\$770,961.20	\$724,209.00
248		\$0.00	\$0.00	\$0.00	\$0.00
249	DUI REIN. 863/93 60%	\$1,311.00	\$1,146.00	\$7,977.00	\$11,121.00
Total General Revenues		\$422,282,099.20	\$378,041,364.29	\$2,319,629,089.19	\$2,108,817,923.01

December 2005
C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 7 Of 9

Trust Revenues	December 2005	December 2004	6 Months 2005	6 Months 2004
301	\$0.00	\$0.00	\$0.00	\$0.00
302 AD-VALOREM-TRUST	\$59,659.75	\$200,476.12	\$4,350,111.63	\$4,487,026.47
303 LOCAL SALES/USE-TRUST	\$67,914,504.50	\$64,983,524.85	\$409,750,281.90	\$397,603,890.30
304 CRAFT TRN TRUS 474/99	\$36,487.82	\$36,088.84	\$334,081.75	\$278,056.63
305 ORGAN DONOR PLATE	\$600.00	\$400.00	\$4,550.00	\$3,055.00
306 BABY SHARON TRST279/03	\$0.00	\$0.00	\$0.00	\$5.00
307 MILT'RY FAM RELIEF TRS	\$0.00	\$0.00	\$0.00	\$0.00
308 TOURISM DEV TRST ADJUS	\$950,867.09	\$0.00	\$6,006,872.73	\$0.00
309 PUBLIC TRANS TRST ADJS	\$308,801.43	\$0.00	\$1,824,561.67	\$0.00
310	\$0.00	\$0.00	\$0.00	\$0.00
311 PETRO ENVIR ASSU FEE	\$572,817.74	\$664,776.80	\$2,858,938.33	\$2,535,441.73
312	\$0.00	\$0.00	\$0.00	\$0.00
313 U.S. OLY COMM 471/93	\$0.00	\$0.00	\$0.00	\$0.00
314 SOFTDRINK TX 1073/93	\$3,316,648.13	\$3,515,556.12	\$22,898,922.23	\$24,358,319.36
315 DIA RELIEF TRU 181/97	\$0.00	\$0.00	\$85.00	\$5.00
316 ID PEND LOC S/U 928/9	\$2,612.05	\$80.90	\$192,740.30	\$181,052.25
Total Trust Revenues	\$73,162,998.51	\$69,400,903.63	\$448,221,145.54	\$429,446,851.74
Sum Total Of All Revenue	\$609,730,658.90	\$575,619,016.51	\$3,458,725,889.35	\$3,185,313,351.08

December 2005

C1L018

**Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis**

Page 8 Of 9

<u>Escrow/Pullout Revenues</u>	<u>December 2005</u>	<u>December 2004</u>	<u>6 Months 2005</u>	<u>6 Months 2004</u>
401 TITLE	\$80,651.00	\$76,991.00	\$568,397.58	\$561,415.50
402 LIEN	\$28,760.50	\$26,604.50	\$197,010.50	\$196,478.00
403 POSTA	\$43,583.38	\$41,611.25	\$304,200.51	\$303,251.44
404 ADFA	\$248,694.00	\$238,885.50	\$1,802,254.50	\$1,791,399.00
405 TRANS	\$1,245.00	\$1,345.00	\$7,949.00	\$8,152.00
406 LOST/	\$4,948.00	\$4,693.00	\$35,266.25	\$39,980.00
407 DR LIC	\$460,918.87	\$477,941.68	\$2,894,747.98	\$3,119,759.15
408 OIL &	\$10,967.54	\$15,515.39	\$76,949.69	\$81,892.78
409 CDL241	\$58,561.72	\$46,192.32	\$350,928.44	\$324,920.37
410 SEARCH	\$0.00	\$0.00	\$335.69	\$120.00
411 COURT REIN.	\$64,656.25	\$50,451.25	\$428,542.51	\$403,890.00
412 IRP REFUND	\$0.00	\$0.00	\$1,888.00	\$1,350.00
413 U OF A COLLEGE	\$10,050.00	\$8,550.00	\$74,400.00	\$68,875.00
414 ASU COLLEGE	\$750.00	\$525.00	\$6,025.00	\$5,650.00
415 UALR COLLEGE	\$225.00	\$175.00	\$1,200.00	\$1,100.00
416 UCA COLLEGE	\$425.00	\$275.00	\$2,875.00	\$2,475.00
417 COMM EDU 8/01	\$5,800.00	\$4,525.00	\$54,810.00	\$50,725.00
418 SAU COLLEGE	\$475.00	\$475.00	\$2,975.00	\$2,750.00
419 DUCKS UNLIMITED	\$7,400.00	\$6,325.00	\$49,050.00	\$43,625.00
420 U OF A AGRI	\$375.00	\$225.00	\$2,800.00	\$2,200.00
421 AR CATTLEMEN'S	\$600.00	\$600.00	\$3,350.00	\$2,725.00
422 BOY SCOUT	\$375.00	\$225.00	\$2,175.00	\$1,550.00
423 HENDERSON STATE UNIV	\$225.00	\$125.00	\$1,775.00	\$1,300.00
424 UAPB	\$3,350.00	\$2,275.00	\$26,525.00	\$21,375.00
425 MISC REFUND CORRECTION	\$0.00	\$0.00	\$0.00	\$0.00
426 OUACHITA BAPT UNIV	\$225.00	\$0.00	\$2,075.00	\$0.00
427 ST GOLF ASSOC 1574/05	\$0.00	\$0.00	\$0.00	\$0.00

December 2005

C1L018

Department of Finance and Administration
Revenue Division
Little Rock, Arkansas
Statement of Gross Tax Collections
Fiscal Year Basis

Page 9 Of 9

428	RIGHT TO LIFE	\$3,450.00	\$0.00	\$24,700.00	\$0.00
429	AR REALTORS PLATE	\$0.00	\$0.00	\$0.00	\$0.00
430	FALL FIREFIGHTERS M BD	\$725.00	\$0.00	\$3,055.00	\$0.00
431	EMERGY MED TECH PLATE	\$45.00	\$0.00	\$45.00	\$0.00
432	ABC APPLICATION FEES	\$14,660.00	\$0.00	\$108,570.00	\$0.00
433	IRP-ROA CNTY REV MONEY	\$1,317.75	\$0.00	\$45,792.98	\$0.00
434	IRP-REGISTRATION FEES	\$3,546,869.22	\$0.00	\$6,264,627.78	\$0.00
435	COLL-99 DFA HOT CHECKS	\$8,263.25	\$0.00	\$113,872.85	\$0.00
436		\$0.00	\$0.00	\$0.00	\$0.00
Total Escrow/Pullout Revenues		\$4,608,591.48	\$1,004,530.89	\$13,459,169.26	\$7,036,958.24

Mail Cost Center 383201

First Class

FROM: STATE OF ARKANSAS
Department of Finance & Administration
Office of the Director
Economic Analysis & Tax Research
P.O. Box 3278
Little Rock, AR 72203

TO: